



# **STATE ASSURANCE FUND (SAF) 2004 COST CEILINGS**

**EFFECTIVE: December 15, 2003**

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## **INTRODUCTION TO THE 2004 COST CEILINGS**

The 2004 Cost Ceilings apply to:

- 1) All work conducted under a contract for corrective action services that is entered into during the effective period of this document,
- 2) If a contract for the corrective action services does not exist, all corrective action work conducted during the effective period of this document and
- 3) Unless a contract for the proposed corrective action work was entered into before the effective date of this document, pre-approval applications submitted to ADEQ during the effective period of this document.

## **HOW TO USE THE COST CEILINGS ON A SAF APPLICATION**

1. Determine the task to be claimed or proposed;
2. Determine if a Cost Ceiling for the task applies by reviewing the Cost Ceiling Descriptions and the General Notes;
3. Insert the Cost Ceiling Code, number of units and Cost Ceiling amount per unit for the task in the Claimed Summary Worksheet(s) of the SAF application;
4. If the task or unit of work does not meet a Cost Ceiling Description, describe the activity and the claimed or proposed cost in the Claimed Summary Worksheet(s) included with the SAF application. NOTE: If a cost ceiling is not appropriate for the task or unit of work claimed or proposed, the amount must be supported in the reimbursement or direct payment application by cost detail that meets the time and materials requirements in Arizona Administrative Code (A.A.C.) §R18-12-605(E). The cost detail may be shown on either the invoice or the Amount Claimed Summary Worksheet. If the Claimed Summary Worksheet is used, appropriate reference to the pertinent invoice must be included for each cost increment. In the preapproval application, appropriate detail describing the activity and cost increments must be shown on the Amount Claimed Summary Worksheet.

### **CLAIMED TASK COSTS INCLUDED IN A COST CEILING**

#### **COST CEILING TASKS: COST DETAIL**

Claims for costs of a task that is included in a 2004 Cost Ceiling amount (a dollar per unit has been established), do not require time and materials detail. The claimed amount must, however, be related to the Cost Ceiling Title, Cost Ceiling Item Number, number of units performed, and total cost. It is recommended (but not required) that this information appear on the invoice as well as the Amount Claimed Summary Worksheet.

Preapproval applications do not include invoices. Cost of a task submitted for preapproval are indicated by completing all columns for a line item (Cost Ceiling) on the Claimed Summary Worksheet.

## **COST CEILING ACTIVITIES: CLAIMED SUMMARY WORKSHEET**

Processing will be expedited if all columns for a line item on the Claimed Summary Worksheet are completed. The Reference Number column should be used to indicate the invoice that substantiates the claimed cost.

## **CLAIMED ACTIVITY COSTS NOT INCLUDED IN A COST CEILING**

### **NON-COST CEILING ACTIVITIES: COST DETAIL**

Costs claimed on a Reimbursement or Direct Payment Application for an action that is not included in a 2004 Cost Ceiling must be supported by time and material detail (per A.A.C. §R18-12-605(E)) making up the incurred cost. The detail required is the number of units (number of hours spent by each person, by level of personnel, type of equipment or material rented or purchased), unit (or hourly) rate and total cost incurred during completion of the action. It is recommended (but not required) that this information appear on the invoice as well as the Amount Claimed Summary Worksheet. If the detail is not provided, the claimed cost cannot be approved.

Preapproval Applications do not include invoices. Costs cannot be preapproved unless the required time and materials increments making up the requested cost are included on the Amount Claimed Summary Worksheet. These increments must be the same as those provided on Reimbursement or Direct Payment Applications for incurred costs (number of units (number of hours spent by each person, by level of personnel, type of equipment or material rented or purchased), unit (or hourly) rate and total costs incurred related to accomplishment of the action).

### **NON-COST CEILING ACTIVITIES: WORKSHEET ORGANIZATION**

Processing will be expedited if all cost increments of an activity that is not included in a 2004 Cost Ceiling Item Number are grouped together on the Claimed Summary Worksheet. The narrative area of the worksheet should be used to identify the activity performed or to be performed. This is especially important for activities where ADEQ will be manually tracking costs to develop historical data to be used in establishing future Cost Ceilings.

## **COST TRACKING**

Many of the Cost Ceiling Item Numbers appearing in the 2004 Cost Ceilings Descriptions do not have related amounts. Most of these Item Numbers have notes indicating that the Item Number is retained for the purpose of tracking costs associated with the task or activity. ADEQ will develop historic data on typical costs for these tasks and activities. This data will be of value in the development of future Cost Ceilings.

To facilitate effective tracking, applicants are asked to:

- Include all line items for a particular task or activity on the same SAF application, and

- Group all time and materials cost increments for a particular task or activity together on the Claimed Summary Worksheet.

The reason for this request is that the ADEQ SAF Section must manually tally the time and materials increments for each of the tasks and activities on which historical cost information is gathered. Otherwise, the database will retain each line with a Cost Ceiling code as the total cost for that task-based activity.

***Your cooperation is appreciated.***